

FACILITIES DIVISION
Facilities Contracts Branch
Standard Operating Procedures

DATE:	11/29/2001
SUBJECT:	COLLECTIONS PROCEDURES
NUMBER:	CSOP-02-002
EFFECTIVE DATE:	Immediately Until Replaced or Superseded

1. Purpose

The purpose of this document is to establish procedures for processing checks from prospective contractors for payment for solicitation documents received in the Facilities Contracts Branch (FCB). Payments are usually received for solicitations and/or blue prints, but may also be received for special joint projects with other departments or agencies, or outside societies working with ARS.

2. References

ARS Policy & Procedure No. 326.0, Collections, Dated March 16, 1990
Financial Management Division (FMD) Manual, Collections, Chapter 2600, Dated March 1990
TFM Volume 1, Part 5, Chapter 2000, Checks and Cash Received in Collections, Section 2035.20 (Reference Web site <http://www.fms.treas.gov/tfm/vol1/v1p5c200.txt>)

3. Authorized Collection Officials

Employees authorized to receive checks in conjunction with a requirement being processed by FD will be designated as a Collection Official in writing by the Chief, FCB, with the prior approval of the Director, FMD. Each Procurement Assistant (PA) will be designated authority to hold and process checks. Collection Officials must account for the receipt and proper disposition of all funds coming into their possession.

4. Acceptable Funds Methods

Contracting Officers are required to ensure that solicitations indicate that payments are to be by check or money order only, made out to USDA, Agricultural Research Service, and sent to the Contracting Officer's attention. Synopsis' must also specifically state that cash, credit cards, and

two-party checks will not be accepted.

5. Processing Collections

- a. Checks for project documents are to be sent to the attention of the designated Contracting Officer handling the project. The Contracting Officer will turn them over to the appropriate PA. Checks shall be kept in the Branch's fire proof locked safe/cabinet.
- b. The PA will immediately log it in the Check Log Sheet (Attachment 1). A Check Log Sheet is to be completed for each project. It will include the date the check was received, the company's name, address, amount of check, date of check, check number, and the date check was sent to the Administrative Collections Unit. This log will be kept in a Check Log Notebook in a central location separate from the checks.
- a. The PA will assign a transmittal number from the Check Transmittal Log (Attachment 2). This transmittal number will be entered on the ARS Form 326-1, Record of Public Funds Received and Transmitted For Deposit (Attachment 3). The PA will document all checks received for a specific requirement on the ARS 326-1, following the instructions outlined in Attachment 4. Additionally, the PA will cite Headquarters Vendor Code 920301010 A for deposit of all funds. The PA will sign the ARS 326-1 form as the preparer. The appropriate Contracting Officer will sign the ARS 326-1 form in the supervisor block.
- a. Checks are to be sent by regular mail or certified mail to the Administrative Collections Unit every Thursday or when \$5,000 or more is collected. All checks are to be sent to the Administrative Collections Unit with a cover letter (Attachment 5, Sample Letter to Administrative Unit), the ARS 326-1 form (original and one copy), and a self-addressed return envelope. The address for the USDA Administrative Collection Unit is as follows:

Department of Agriculture
Administrative Collections
P.O. BOX 70792
Chicago, IL 60673

Administrative Collections will return a signed copy of the ARS 326-1 form to FCB as proof of receipt. They will deposit the payment electronically to Treasury, which then transmits the information to NFC. Copies of each Form 326-1 must be maintained in FCB for three (3) years.

6. Returned Checks

- a. If the check is in the wrong amount or form, or lacks a signature, date, or proper addressee, the PA will notify the contractor and return the check with instructions for proper payment.
- a. The PA will immediately request a replacement check from the contractor in the form of a “Certified Check” or “Money Order” when a payment cannot be processed due to insufficient funds, a stop payment order, etc.
- a. The Contracting Officer will document the situation if unable to collect the funds/money due and notify the Chief, FCB, and the office of the Director, FMD. A copy of this documentation will be provided to the PA to file in the Check Log Notebook. The Director, FMD, will make the final determination as to whether to write off the fee or pursue the matter.
- a. Cancelled projects require that all payments be returned to the contractors. The Contracting Officer will prepare a memo to the file. Stating the amount of the refund, accounting classification, object class code, name and correct mailing address of the contractor to receive the refund, and justification as to why the refund must be made. The Facilities Contracts Branch (FCB) will then issue a refund in the form of a convenience check to the contractors after establishing a transfer of funds to the FCB account.
- a. Lost, destroyed, or mutilated checks that impair their value will be replaced by the contractor who issued the check. If the contractor requires an agreement of indemnity, the Director, FMD, will be contacted to handle the matter.

Attachments

1. Check Log Sheet
2. Check Transmittal Log
3. ARS For 326-1, Record of Public Funds Received and Transmitted for Deposit
4. Completion Instructions for Form ARS 326-1, Record of Public Funds Received and Transmitted for Deposit
5. Sample Letter to Administrative Collections

ATTACHMENT 1 - CHECK LOG SHEET

PROJECT TITLE:					
SOLICITATION NO.:					
					Date Check
Company	Date Check	Date of	Check		Sent to Admin.
<u>Name & Address</u>	<u>Received</u>	<u>Check</u>	<u>Number</u>	<u>Amount</u>	<u>Collections</u>

ATTACHMENT 2 - CHECK TRANSMITTAL LOG

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ATTACHMENT 3

(See EXCEL ars326.xls for blank form)

ATTACHMENT 4

EXHIBIT 26-3

COMPLETION INSTRUCTIONS FOR FORM ARS-326-1, RECORD OF PUBLIC FUNDS RECEIVED AND TRANSMITTED FOR DEPOSIT

**(See attached EXCEL ars326instr.xls for sample form.
Numbers in parentheses match the following instructions)**

EXHIBIT 26-3

COMPLETION INSTRUCTIONS FOR FORM ARS-326-1, RECORD OF PUBLIC FUNDS RECEIVED AND TRANSMITTED FOR DEPOSIT

Prepare Form ARS-326-1 in quadruplicate. Forward the original and one copy with remittances and a self-addressed envelope to the lock box address. Forward a copy to the LAO/T and retain one copy for office files. The numbers in parenthesis below correspond to the circled numbers on Form ARS-326-1.

- | | |
|---------------------------|---|
| (1) DATE | Insert date of transmittal for the remittances. |
| (2) TO | Enter the following lock box address:

Department of Agriculture
Administrative Collections
P.O. BOX 70792
Chicago, IL 60673 |
| (3) FROM | Enter the organization and address of the collection official receiving the collections and preparing the form. |
| (4) TRANSMITTAL NO. | Number the forms sequentially beginning each FY with the numeric "1," i.e. 1-01, which means the first transmittal for FY-2001. |
| (5) DATE RECEIVED | Enter the date the remittance was received. |
| (6) AMOUNT | Enter the amount of the remittance. |
| (7) NAME OF REMITTER | Enter the remitter's name, organization or company. |
| (8) REMITTER's REFERENCE | Enter the negotiable instrument's identifying number, i.e., check number, money order number, etc. |
| (9) PURPOSE | Enter the reason for the remittance. |
| (10) FINANCIAL DATE CODE | Enter the appropriate 10-digit accounting code or Miscellaneous Receipt Symbol of Treasury. |
| (11) OBJECT CLASS | Enter the appropriate 4-digit object class code. |
| (12) TOTAL | Enter the total for the "Amount" column. |
| (13) PREPARED BY | Enter the signature of the Collection Official (in our case our PA's). |

- | | |
|------------------------|---|
| (14) AMOUNT SENT | Add each remittance and enter the total. This amount must agree with the "Total" column. |
| (15) SUPERVISOR | Enter the signature of the collection official's supervisor. (In our case it will be the Contracting Officer/Specialist.) |
| (16) RECEIVING OFFICER | This block is for the signature of the receiving officer at the lock box address. |
| (17) AMOUNT VERIFIED | This block is for the use of the receiving officer at the lock box address. |
| (18) DATE | This block is for the use of the receiving officer at the lock box address. |
| (19) REMARKS | Use this block for pertinent information as it applies to the remittance(s). |



United States Department of Agriculture

Research, Education, and Economics
Agricultural Research Service

ATTACHMENT 5
Sample Letter To Administrative Collections

Date: _____

SUBJECT: Transmittal of Checks Addressed to USDA, ARS

TO: USDA, ARS, ABCO
Administrative Collections
P.O. Box 70792
New Orleans, LA 60673

FROM: _____
Contracting Officer
Facilities Contracts Branch, FD

The checks listed below are payment for plans and specifications to Solicitation No. _____,
(Accounting Code _____).

<u>Company</u>	<u>Check No.</u>	<u>Amount</u>
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Please take the necessary action to credit the above checks to the (Name of Project), of the (Name of lab/facility, city/state), project to offset the cost of duplicating and reproducing the plans and specifications.

If you have any questions, please contact (Name), Procurement Assistant, on 301-504-_____.

Enclosures

cc: w/o encl.

ABFO	FCB Transmittal Log
AAO	<u>(Procurement Assistant)</u> , FD
FMD	Contract File

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Administrative and Financial Management
5601 Sunnyside Avenue \$ Beltsville, MD 20705-5100